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Council Offices  
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SENT BY E-MAIL AND POST

30th November 2015

Dear Sir / Madam

## **NORTH WEST LEICESTERSHIRE DRAFT LOCAL PLAN CONSULTATION**

### **Introduction**

Thank you for consulting with the Home Builders Federation (HBF) on the above mentioned consultation. The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing. We would like to submit the following representations and in due course attend the Local Plan Examination Hearing Sessions to discuss these matters in greater detail.

### **Duty to Co-operate**

Under S110 of the Localism Act 2011 which introduced S33A into the 2004 Act the Council must co-operate with other prescribed bodies to maximise the effectiveness of plan making. The Duty to Co-operate requires the Council to "*engage constructively, actively and on an on-going basis*". The high level principles associated with the Duty to Co-operate are set out in the National Planning Policy Framework (NPPF) (paragraphs 156, 178 – 181). In addition there are twenty three paragraphs in the National Planning Practice Guidance (NPPG) concerning the Duty to Co-operate.

In considering if the Duty to Co-operate has been satisfied it is important to consider the outcomes arising from the process and the influence of these outcomes on the Plan. One required outcome is the delivery of full objectively assessed housing needs (OAHN) for market and affordable housing in a housing market area (HMA) as set out by paragraph 47 of the NPPF including

the unmet needs of neighbouring authorities where it is reasonable to do so and consistent with sustainable development (paragraph 182 of the NPPF).

In this context North West Leicestershire District Council forms part of the Leicester & Leicestershire Housing Market Area (HMA) together with neighbouring authorities of Charnwood and Hinkley & Bosworth. However the Council also adjoins four other authorities namely South Derbyshire, North Warwickshire, Erewash and Rushcliffe. At the time the Local Plan is submitted to the Secretary of State for examination the Council should provide a Statement of Co-operation including copies of any signed Memorandums of Understanding with neighbouring authorities setting out its compliance with the Duty.

### **Objectively Assessed Housing Needs (OAHN) and the Housing Requirement**

In paragraph 5.7 the Council refers to an OAHN of 285 - 350 dwellings per annum for the period 2011 – 2031 as set out in the Leicester & Leicestershire SHMA Final Report prepared by G L Hearn dated June 2014. As the Council is aware from the Charnwood Local Plan Core Strategy Examination Hearing Sessions the HBF and other parties were critical of the assumptions used in this calculation of OAHN. It is believed that this assessment under-estimates OAHN by failing to take full account of :-

- longer term migration trends by using 5 year migration trend ;
- unattributable population change by its exclusion ;
- household formation rates by using a mid-point from a partial return to trend model ;
- worsening trends in market signals ;
- affordable housing needs ;
- no alignment of employment and economic growth trends with the Leicestershire LEP SEP.

Moreover the assessment pre-dates the publication of 2012 Sub National Household Projections (SNHP). The NPPG sets out that household projections produced by DCLG are the starting point for OAHN (ID 2a-015-20140306). The NPPG confirms that the 2012 SNHP are the most up to date estimate of household growth. Therefore the Council was correct in undertaking further work to consider the balancing of homes and jobs as set out in summary in paragraph 5.8 and in more detail in the Background Paper on **Policy S2**. Accordingly **Policy S2** proposes a minimum housing requirement of 10,700 dwellings (535 dwellings per annum) for the plan period of 2011 – 2031.

### **Land Supply**

**Policy S3** proposes a settlement hierarchy comprising of :-

- Principle Town – Coalville Urban Area ;
- Key Service Centres of Ashby de la Zouch and Castle Donington ;

- Local Service Centres of Ibstock, Kegworth and Measham ;
- 17 named Sustainable Villages ;
- 16 named Small Villages ;
- Hamlets (subject to Policy S4 on the Countryside).

Paragraph 6.4 of the Local Plan explains that 10,754 dwellings already exist on consented sites or on sites with resolutions to approve subject to legal agreements. These sites are listed in **Policies H1** and **H2**. However paragraph 6.8 anticipates that only 9,100 of the 10,754 dwellings will be built throughout the plan period up to 2031. Therefore a further provision of 1,600 dwellings is proposed. **Policy H3** sets out proposed new housing allocations including a Sustainable Urban Extension (SUE) for 1,750 dwellings in Ashby de la Zouch and a reserve site for 420 dwellings at Measham.

In allocating sites the Council should be mindful that to maximize housing supply the widest possible range of sites, by size and market location are required so that house builders of all types and sizes have access to suitable land in order to offer the widest possible range of products. The key to increased housing supply is the number of sales outlets. Whilst some SUEs may have multiple outlets, in general increasing the number of sales outlets available means increasing the number of housing sites. So for any given time period, all else been equal, overall sales and build out rates are faster from 20 sites of 50 units than 10 sites of 100 units or 1 site of 1,000 units. The maximum delivery is achieved not just because there are more sales outlets but because the widest possible range of products and locations are available to meet the widest possible range of demand. In summary a wider variety of sites in the widest possible range of locations ensures all types of house builder have access to suitable land which in turn increases housing delivery.

### **Viability and Policy Requirements including Affordable Housing**

If the North West Leicestershire Local Plan is to be compliant with national policy, the Council must satisfy the requirements of paragraphs 173 and 174 of the NPPF whereby development should not be subject to such a scale of obligations and policy burdens that viability is threatened. Therefore the Council must properly assess viability and accordingly the Council has commissioned a Viability Study by DTZ dated July 2015.

The residual land value model is highly sensitive to changes in its inputs whereby an adjustment or an error in any one assumption can have a significant impact on viability. So it is important to understand and test the influence of all inputs on the residual land value as this determines whether or not land is released for development. The Harman Report highlighted that *“what ultimately matters for housing delivery is whether the value received by land owners is sufficient to persuade him or her to sell their land for development”*. In this context of sensitivity of inputs it is noted that a number of assumptions are set at the low end of any possible range of figures.

**Policy H4** sets out that on sites of 15 or more and 11 or more units 30% affordable housing provision should be provided in Ashby de la Zouch, Castle Donington, Kegworth, Measham and elsewhere and 20% affordable housing

provision in Coalville Urban Area and Ibstock subject to viability. However the Council's viability study shows that smaller sites and brown-field sites are not viable at the affordable housing provisions set out in **Policy H4**. Whilst it is accepted that developers can negotiate lower affordable housing provision on the grounds of viability such negotiations inevitably incur additional costs in terms of both time and money which impairs housing delivery. It is unrealistic to negotiate every site on a one by one basis because the base-line aspiration of a policy or combination of policies is set too high as this will jeopardise future housing delivery. The purpose of whole plan viability assessment is to ensure that the bar of policy expectations is not set unrealistically high. If the bar is set too high then the majority of schemes instead of the exception will be subject to site by site viability negotiations. It is suggested that the Council re-considers **Policy H4**.

### **Other Policies**

Under **Policy S5 – Design of New Development** it is not clear how the Council proposes to assess development proposals against Building for Life 12 criteria. The Council's interpretation of the scoring of Building for Life 12 is also incorrect. It is understood that a score of 9 out of 12 greens rather than 12 greens from an independent assessor forum would be sufficient to warrant Building for Life 12 status. This Policy should be modified and re-worded accordingly.

It is known that the Government wishes to streamline the planning system and rationalise many differing existing standards into a simpler system which will reduce policy burdens and increase the delivery of more housing. The Deregulation Bill 2015, which received Royal Assent in March 2015, specifies that Councils should not set any additional local technical standards or requirements relating to the construction, internal layout or performance of new dwellings. Therefore the only technical standards that can be considered and incorporated into Local Plans are restricted to the nationally described space standard, an optional requirement for water usage and optional requirements for adaptable / accessible dwellings. **Policy H6 – House Types & Mix** proposes on sites of more than 50 units a proportion of homes for elderly will be provided together with a proportion of Part M4(2) Accessible & Adaptable Homes. The Council should provide appropriate justification for this policy requirement.

**Policy CC2 – Sustainable Design & Construction** under Bullet Point (2) proposes the optional higher standard on water efficiency of 110 litres per day per person. The Housing Standards Review was explicit that reduced water consumption was solely applicable to water stressed areas. The acceptable approach is set out in the NPPG - Housing Optional Technical Standards – Water Efficiency Standards section (ID 56-013-20150327 to 56-017-20150327). The Council should justify its proposal accordingly.

Under **Policy IF1 – Development & Infrastructure** it is noted that the Council is proposing not to adopt a Community Infrastructure Levy (CIL) but instead continue to rely upon S106 contributions. The Council should re-

consider whether or not the pooling restrictions imposed in April 2015 will have any impact on this proposal.

The Council should confirm that proposals under **Policy IF7** on car parking are consistent with Written Ministerial Statement dated 25<sup>th</sup> March 2015 which stated that *“this government is keen to ensure that there is adequate parking provision both in new residential developments ... The imposition of maximum parking standards under the last administration lead to blocked and congested streets and pavement parking. Arbitrarily restricting new off-street parking spaces does not reduce car use, it just leads to parking misery. It is for this reason that the government abolished national maximum parking standards in 2011. The market is best placed to decide if additional parking spaces should be provided. However, many councils have embedded the last administration’s revoked policies. Following a consultation, we are now amending national planning policy to further support the provision of car parking spaces. Parking standards are covered in paragraph 39 of the NPPF. The following text now needs to be read alongside that paragraph: “Local Planning Authorities should only impose local parking standards for residential and non-residential development where there is clear and compelling justification that it is necessary to manage their local road network.”*”

## **Neighbourhood Planning**

The relationship between the Local Plan and Neighbourhood Plans is confused in particular the strategic and non-strategic policy definitions set out in Appendix 4. Local Plan site allocations are a strategic matter which Neighbourhood Plans should be in conformity with therefore surely any allocation in a Neighbourhood Plan is an addition to the strategic Local Plan allocation rather than an alternative either / or to a strategic Local Plan allocation.

## **Conclusions**

For the North West Leicestershire Local Plan to be found sound under the four tests of soundness as defined by paragraph 182 of the NPPF, the Plan should be positively prepared, justified, effective and consistent with national policy. The Council should give further consideration to the above mentioned matters because without doing so the resultant Local Plan could be found unsound by failing to be consistent with national policy, positively prepared, properly justified and so ultimately ineffective. It is hoped that these representations are of assistance to the Council in informing the next stages of the North West Leicestershire Local Plan. In the meantime if any further information or assistance is required please contact the undersigned.

Yours faithfully  
for and on behalf of **HBF**



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